

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NOS. SPU-2005-0015 (RPU-2014-0001, TF-2014-0033)
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ORDER REQUIRING ADDITIONAL INFORMATION

(Issued July 28, 2014)

On January 13, 2014, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) a “Motion for Approval of Corporate Undertaking and Corporate Undertaking.” IPL said the filing was made in compliance with the Board’s January 31, 2013, order in Docket Nos. SPU-2005-0015 and TF-2012-0577, where IPL was directed to file a corporate undertaking by January 13, 2014, in the event IPL files a general rate case proceeding in the first quarter of 2014. IPL said that it was working with the parties to resolve issues related to the new purchase power agreement (PPA) with NextEra Energy Duane Arnold, LLC (NextEra), but that if those issues were not resolved, IPL was committed to removing NextEra PPA capacity costs from base tariff rates in a general rate case to be filed in 2014, with a refund obligation that would begin the same day as energy adjustment clause cost recovery for the new NextEra PPA charges starts, that is, on February 22, 2014. For administrative purposes, the filing was identified as Docket No. RPU-2014-0001. The Board approved the corporate undertaking by order issued February 19, 2014.

On February 14, 2014, IPL filed a request for approval of a proposed rate notification pursuant to 199 IAC 26.5(1)"d"(1), which requires that all substantially nonstandard notices be approved by the Board. IPL said that it was preparing to file an application for increased electric rates pursuant to Iowa Code chapter 476, consistent with the commitments it made in Docket No. SPU-2005-0015. The proposed notice, identified as Docket No. RN-2014-0001, was approved, with some modification, by order issued March 13, 2014. The order also scheduled eight consumer comment hearings throughout IPL's service territory.

IPL did not send the approved rate notice to its customers. On March 25, 2014, IPL, the Consumer Advocate Division of the Department of Justice, the Iowa Consumers Coalition, and the Large Energy Group filed a unanimous settlement agreement and joint motion for approval of the agreement. The proposed settlement by all parties to Docket No. SPU-2005-0015 interested in the potential double recovery issue resolves the issue of the potential double recovery of Duane Arnold Energy Center PPA costs raised in that docket, according to the parties.

On April 2, 2014, the Board docketed the filing and required IPL to file additional information. IPL filed the required information on April 9, 2014. After reviewing the information, the Board had additional questions and issued an order on May 19, 2014, requiring additional information. IPL filed additional information on May 29, 2014.

In reviewing the information filed on May 29, 2014, the Board has clarifying questions or information requests to fill in some gaps or provide further detail with

respect to the information provided. IPL will be required to provide the following as expeditiously as possible, but not later than within ten days from the date of this order:

1. With respect to the variance associated with the two different depreciation models, explain which of the two IPL relies upon to provide justification for credit reductions in the amount of \$45 million in 2015 and an additional \$15 million in 2016. If both were used to support the reduction in credit amounts, explain the basis for using inconsistent numbers and also provide the revenue requirement difference and associated revenue credit difference that would result from using the same depreciation model in both the cost of service calculations and rate base.
2. With respect to forecasted retirement adjustments, confirm that IPL made identical adjustments to both forecasted gross plant and forecasted accumulated depreciation.
3. With respect to IPL's response to Question No. 2 provided on April 9, 2014, explain why IPL did not consider the impact of projected plant retirements on the forecasted revenues from fuel riders or the costs of power purchases. Quantify the projected impacts.
4. In its response to Question No. 5 provided on May 29, 2014, IPL indicates that the projected revenue requirement associated with line items 2 through 5 alone is nearly enough to offset the purchase capacity costs. Provide the impact of each of the line items 2 through 5 on IPL's projected return on equity.

IT IS THEREFORE ORDERED:

IPL shall provide the information identified in this order as expeditiously as possible, but no later than within 10 days of the date of this order.

UTILITIES BOARD

/s/ Elizabeth S. Jacobs

/s/ Nick Wagner

ATTEST:

/s/ Joan Conrad
Executive Secretary

/s/ Sheila K. Tipton

Dated at Des Moines, Iowa, this 28th day of July 2014.